UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORKX	e e
ACE AMERICAN INSURANCE COMPANY a/s/o SIDNEY FRIEDMAN	2008 Civ. 4315 (BSJ) (AJP)
Plaintiff, - against -  JEFFSTAR MARINE SERVICES and JEFFSTAR, INC.  DefendantsX	AFFIDAVIT OF CHRISTOPHER R. MARTIN IN SUPPORT OF REPLY MEMORANDUM IN LAW IN OPPOSITION TO MOTION TO VACATE DEFAULT JUDGMENT
STATE OF NEW YORK ) ) ss: COUNTY OF NEW YORK )	

#### CHRISTOPHER R. MARTIN, being duly sworn, deposes and says:

- I am a paralegal at the firm of Casey & Barnett, LLC and as such, I am familiar
  with the facts and circumstances in the above titled action.
- I make this affidavit in support of Gregory G. Barnett's Memorandum in Law in Opposition to Motion to Vacate Default Judgment.
- 3. This is an action to recover the cost of repairing a motor vessel's engine which sustained damages due to improper winterization and an improper repair carried out by the defendants. Plaintiff also sues for surveyor's fees.
- The defendant was notified of plaintiff's claim via U.S. mail on February 14,
   2008 (attached hereto as Exhibit 1).
- 5. After, we did not receive any reply from our letter dated February 14 and the action was commenced on May 7, 2008, by the filing of the Summons and Complaint (attached hereto as Exhibit 2).

- 6. A copy of the Summons and Complaint was served on Carol Smith on behalf of defendants, Jeffstar Marine Services, Inc. and Jeffstar, Inc. on May 15, 2008 at their place of business located at 100 Jefferson Street, Freeport, New York, 11520. The affidavit of service was filed via ECF on June 16, 2008 and the original affidavit of service was filed with the Clerk of the Court via U.S. mail on June 16, 2008 (attached hereto as Exhibit 3).
- 7. In or about late May, I received a telephone call from a woman at Jeffstar, who advised that there was no one at Jeffstar who could deal with the matter that day. I advised that they had 20 days to Answer the Complaint, to which she advised that the situation would be dealt with when her superiors returned.
  - 8. Defendant's Answer was due on June 4, 2008.
- 9. Plaintiff notified defendant via U.S. mail on June 10, 2008 that this civil action had been referred to Magistrate Judge Andrew J. Peck for general pretrial purposes and advised defendant that its Answer was past due (attached hereto as Exhibit 4).
- 10. Plaintiff further advised defendant via Federal Express on June 18, 2008 that its Answer was past due and that an application for default judgment would be filed with the Court if no Answer was filed by June 25, 2008 (attached hereto as Exhibit 5).
- 11. On June 20, 2008 defendant sent a facsimile and FedEx to Casey & Barnett advising that Jeffstar Marine Services, Inc. and Jeffstar Inc. are two separate corporations (attached hereto as Exhibit 6). The letter requested that plaintiff's counsel reissue a Summons and Complaint to Jeffstar Marine Services, Inc. only and that upon receipt of the new Summons and Complaint, counsel for Jeffstar Marine Services, Inc. would respond.
- 12. Pursuant to Magistrate Judge Peck Order, dated June 18, 2008, an application for Default Judgment was filed with the Clerk of the Court on June 26, 2008 and filed electronically

June 30, 2008, due to a clerical oversight. Copies of application for Default Judgment were forwarded to both Jeffstar Marine Services, Inc. and Jeffstar, Inc. via U.S. mail on June 26, 2008.

- 13. On or about June 30, 2008 a second correspondence was sent from the defendant to The Clerk of the Court and Casey & Barnett reiterating the point made in the previous correspondence and advising that Jeffstar Marine Services, Inc. was in the process of retaining counsel (attached hereto as Exhibit 7).
- 14. On July 2, 2008, Magistrate Judge Peck endorsed a memo which was forwarded to Jeffstar Marine Services and Gregory G. Barnett and stated "[a]s of now, both Jeffstar entities are in default. A corporation can only appear in Court by counsel. Unless counsel for either or both Jeffstar entities appears <u>promptly</u> in this case, <u>i.e.</u>, <u>no later than 7/11/08</u>, default judgment will be entered." (attached hereto as Exhibit 8).
- 15. On July 3, 2008 Casey & Barnett received a facsimile from David Carlebach, which advised that Jeffstar, Inc. had filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (attached hereto as Exhibit 9). This was the first time our firm was made aware that Jeffstar, Inc. had filed for bankruptcy under Chapter 11.
- 16. Plaintiff attaches hereto as Exhibit 10 page 43 of ACE's activity log, which is part of the ACE Insurance file we received from our client. It notes that the assured advised that Jeffstar Marine Services admitted that they did not winterize the vessel properly.
- 17. Plaintiff attaches hereto as Exhibit 11, the insurance statement of claim sworn under oath as to its truth. Attached to the statement of claim is a detailed statement dated August 28, 2007 and signed by Sidney and Dean Freidman detailing the events surrounding the subject matter of the Complaint filed by ACE. This is part of the ACE insurance file kept in the ordinary course of business that we received from our client.

18. Plaintiff attaches hereto, as Exhibit 12, several invoices from Jeffstar Marine

Services, Inc. made out to Dean Friedman for the winterization of Sidney Friedman's vessel.

19. On July 18, 2008 I had a telephone conversation with Sidney Friedman regarding,

inter alia, the subject matter of this action. As the spelling of Dominic Aracci's last name is not

the same on his affidavit as it is in the documentation we received from ACE, specifically

Exhibit 11, I sought to confirm whether they were two separate individuals or one in the same.

Mr. Friedman advised that he knew of only one Dominic at Jeffstar and that this man was the

owner and/or president of the company. It is Mr. Friedman's understanding and my own, that

these individuals are indeed the same person.

20. Mr. Friedman further advised that his vessel was brought to Jeffstar Marine

Services for winterization, which included winterizing the freshwater side of the engines.

21. Attached hereto as Exhibit 13 is a copy of the survey report conducted by David

G. Young to ascertain the nature of the loss sustained.

22. Attached hereto as Exhibit 14 is a copy of Google Maps indicating that overland

the distance from the Hewlett Harbor to 100 Jefferson Street in Freeport is 7.1 miles.

Dated: New York, New York

July 22, 2008

230-30

Christopher R. Martin

Sworn to me before this 20

Day of

CHRISTOPHER M. SCHIERLOH Notary Public, State of New York No. 02SC6152972

Qualified in Nassau County Commission Expires Sept. 25, 20

4

ATTORNEYS AT LAW 317 Madison Avenue, 21st Floor New York, New York 10017

Telephone: (212) 286-0225 Facsimile: (212) 286-0261 Web: www.caseybarnett.com

NEW JEPSEY OFFICE Casey & Barnett, LLP 25 Prospect Street Morristown, NJ 07960

\* Admitted in NY and NJ
\*\* Admitted in NY, NJ, La and OH

MARTIN F. CASEY\*

GREGORY G. BARNETT\*\*

CHRISTOPHER M. SCHIERLOH

February 14, 2008

Tel: (973) 993-5161 Fax: (973) 539-6409

Via U.S. Mail
Jeffstar Marine Services
100 Jefferson Street
Freeport, NY 11520

Re:

Assured: Sidney Friedman

1993 – 48' Convertible sport fish Engine Damage – July 13, 2007 Claim Amount: \$46,065.45 Our File No.: 230-30

#### Dear Sir/Madam:

We represent Indemnity Insurance Company of North America with respect to the engine damage sustained to Mr. Friedman's vessel. As you can see from the attached, the starboard engine sustained damages as a direct result of improper winterization and improper repairs made by Jeffstar Marine Services. The vessel was released to Mr. Friedman from your company with cracks present in the exhaust manifolds, which caused coolant to be lost from the closed side of the system while in service and resulted in damages. Damages in the amount of \$46,065.45 were sustained, for which we hold you liable.

We ask that you please forward this to your underwriter and request that they contact the undersigned, as we would like to resolve this matter, if possible, without litigation.

We look forward to hearing from you in the future.

Very truly yours,

CASEY & BARNETT, LLC

Dregory Bornett KM Gregory G. Barnett

Encl.

GGB/crm

AO 440 (Rev. 8/01) Summons in a Civil Action

UNITED STATES DIST	TRICT COURT	•
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Southern

District of

New York

ACE AMERICAN INSURANCE COMPANY a/s/o SIDNEY FRIEDMAN

SUMMONS IN A CIVIL ACTION

V.
JEFFSTAR MARINE SERVICES and
JEFFSTAR, INC.

CASENUMBER:

4315

JUDGE JONES

TO: (Name and address of Defendant)

Jeffstar Marine Services 100 Jefferson Street Freeport, New York 11520 Jeffstar, Inc. 100 Jefferson Street Freeport, New York 1152

YOU ARE HEREBY SUMMONED and required to serve on PLAINTIFF'S ATTORNEY (name and address)

Gregory G. Barnett Casey & Barnett, LLC 317 Madison Avenue, 21st Floor New York, NY 10017 (212) 286-0225

an answer to the complaint which is served on you with this summons, within	20	days after service
of this summons on you exclusive of the day of service. If you fail to do so, judgmen	t by default	will be taken against you
for the relief demanded in the complaint. Any answer that you serve on the parties	to this acti	ion must be filed with the
Clerk of this Court within a reasonable period of time after service.		

J. MICHAEL McMAHON

MAY 0 7 2008

CLERK

DATE

(Bu) DEDITY CLERK

08 CV 4315

Gregory G. Barnett (GGB-3751) CASEY & BARNETT, LLC 317 Madison Avenue, 21<sup>st</sup> Floor New York, New York 10017 (212) 286-0225 Attorneys for Plaintiff

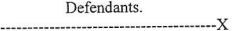
UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

ACE AMERICAN INSURANCE COMPANY a/s/o SIDNEY FRIEDMAN

Plaintiff,

- against -

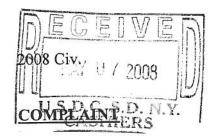
JEFFSTAR MARINE SERVICES and JEFFSTAR, INC.



Plaintiff, Ace American Insurance Company (hereinafter "ACE"), by its attorneys, Casey & Barnett, for its Complaint, alleges upon information and belief, as follows:

#### **PARTIES**

- 1. At all material times, ACE, was and is a corporation organized and existing by virtue of the laws of a foreign state with an office and place of business located at 140 Broadway, 40<sup>th</sup> Floor, New York, New York 10005 and was at all material times the insurer of Sidney Friedman, owner of a 1993 48' Ricker 48 Convertible sportfish.
- 2. At all material times, Sidney Friedman was the owner of a 1993 48' Ricker 48 Convertible sportfish (hereinafter "vessel"), a recreational sporting vessel with hull identification number RIX48011A393.



- 3. At all material times, Jeffstar Marine Services was and still is a business entity duly organized and existing under the laws of the state of New York, with a place of business located at 100 Jefferson Street, Freeport, New York 11520.
- 4. At all material times, Jeffstar, Inc. was and still is a business entity duly organized and existing under the laws of the state of New York, with a place of business located at 100 Jefferson Street, Freeport, New York 11520 and was the owner, operator, and/or manager of Jeffstar Marine Services.

#### **JURISDICTION**

5. This is an admiralty and maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure. Jurisdiction is predicated upon 28 U.S.C. §1333 and the General Maritime Law of the United States.

#### **FACTS**

- 6. During the Fall of 2006, Mr. Friedman contracted defendants to haul the vessel for winter storage, which included, among other things, winterizing the vessel's main engines.
- 7. On or about June 26, 2007, Mr. Friedman was advised by defendants that they had improperly winterized the vessel, which resulted in damages to the vessel's starboard engine.
- 8. Defendants attempted a repair of the engine and heat exchanger by welding the heat exchanger. This was an improper repair as there were still existing cracks in the exhaust manifolds when the vessel was released to Mr. Friedman.
- 9. On or about July 13, 2007, Mr. Friedman, unknowing of the coolant leaks, ran the vessel, which subsequently caused the starboard engine to overheat causing damage to the engine.

- 10. The damages sustained to the vessel were not the result of any act or omission of the plaintiff but, to the contrary, were due solely as the result of breach of contract, breach of bailment, breach of the warranty of workmanlike performance, negligence, fault, neglect and gross negligence of Jeffstar Marine Services and Jeffstar, Inc.
- 11. At all times relevant hereto, a contract of insurance for property damage was in effect between Sidney Friedman and ACE, which provided coverage for, among other things, loss or damage to the vessel.
- 12. Pursuant to the aforementioned contract of insurance between Sidney Friedman and ACE, monies have been and will be expended on behalf of Sidney Friedman, to the detriment of ACE due to improper winterization and improper repairs to the starboard engine.
- 13. Due to the improper winterization and repairs, the vessel and Sidney Friedman sustained damages which ACE has paid pursuant to the insurance policy.
- 14. As ACE has sustained damages as a result of said expenditures, expenditures rightly the responsibility of the defendant, ACE has an equitable right of subrogation and is subrogated, to the extent of its expenditures, to the rights of its insured with respect to any and all claims for damages of against the defendant.
- 15. ACE brings this action on its own behalf and as agent and/or trustee on behalf of and for the interest of all parties who may be or become interested, as their respective interests may ultimately appear, and ACE is entitled to maintain this action.
- 16. By reason of the foregoing, ACE has sustained losses which will be shown with specificity at trial, no part of which has been paid, although duly demanded, which are presently estimated to be no less than \$51,864.37.

17. All and singular the matters alleged herein are true and correct. ACE reserves the right to amend and supplement this Complaint, as further facts become available.

## WHEREFORE, ACE prays:

- 1. The Court order, adjudge and decree that defendants, JEFFSTAR MARINE SERVICES and JEFFSTAR, INC., be found liable and pay to plaintiff the losses sustained herein, together with pre-judgment and post judgment interest thereon and their costs.
- 2. That this Court grants to plaintiff such other and further relief as may be just and proper.

Dated: New York, New York May 7, 2008 230-30

CASEY & BARNETT, LLC Attorneys for ACE

By:

Gregory G Barnett (GGB-3751) 317 Madison Avenue, 21<sup>st</sup> Floor New York, NY 10017

(212) 286-0225

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

ACE AMERICAN INSURANCE COMPANY a/s/o SIDNEY FRIEDMAN

Plaintiff,

2008 Civ. 4315 (BSJ) (AJP)

RETURN OF SERVICE

- against -

JEFFSTAR MARINE SERVICES and JEFFSTAR, INC.

Defendants.

Pursuant to Fed. R. Civ. P. Rule 4, the plaintiff hereby makes proof of service to the Court. The plaintiff attaches hereto Exhibit 1, the Affidavits of Service executed by Brian Kleinberg declaring under penalty of perjury under the laws of the United States that he served a true copy of the Summons and Complaint for the above referenced civil action upon Defendants Jeffstar Marine Services and Jeffstar, Inc. on May 15, 2008.

Dated: New York, New York June 10, 2008 230-30

CASEY & BARNETT, LLC

Attorneys for Plaintiff

Gregory C. Barnett (GGB-3751) 317 Madison Avenue, 21st Floor

New York, New York 10017

(212) 286-0225

UNITED STATES CHISTRIP TO THE STRUCK OF BEING STRUCK OF STRUCK OF

ACE AMERICAN INSURANCE COMPANY A/S/O SIDNEY FRIEDMAN

Index #: 08 CV 4315

Plaintiff(s)

- against -

Date Filed:

JEFFSTAR MARINE SERVICES AND JEFFSTAR, INC.

Date Filed.

Defendant(s)

AFFIDAVIT OF SERVICE

STATE OF NEW YORK: COUNTY OF NEW YORK ss:

BRIAN KLEINBERG BEING DULY SWORN DEPOSES AND SAYS DEPONENT IS NOT A PARTY TO THIS ACTION, OVER THE AGE OF EIGHTEEN YEARS AND RESIDES IN THE STATE OF NEW YORK.

That on May 15, 2008 at 03:55 PM at

**GLASSES** 

100 JEFFERSON STREET FREEPORT, NY11520

deponent served the within true copy of the SUMMONS & VERIFIED COMPLAINT on JEFFSTAR MARINE SERVICES, the defendant/respondent therein named,

CORPORATION by delivering thereat a true copy of each to CAROL SMITH, REFUSED TRUE LAST NAME personally, deponent knew said corporation so served to be the corporation described in said SUMMONS & VERIFIED COMPLAINT as said defendant/respondent and knew said individual to be the GENERAL AGENT thereof.

Deponent further states that he describes the person actually served as follows:

Sex	Skin Color	Hair Color	Age (Approx.)	Height (Approx.)	Weight (Approx)
FEMALE	WHITE	BROWN	45	5'5	130

Sworn to me on: May 16, 2008

Linda Forman Notary Public, State of New York No. 01F05031305 Qualified in New York County Commission Expires August 1, 2010 Robin M. Forman
Notary Public, State of New York
No. 01FO6125415
Qualified in New York County
Commission Expires April 18,
2009

Larry Yee Notary Public, State of New York No. 01YE5015682 Qualified in New York County Commission Expires July 26, 2009

BRIAN KLEINBERG

ACE AMERICAN INSURANCE COMPANY A/S/O SIDNEY FRIEDMAN

Index #: 08 CV 4315

- against -

Date Filed:

JEFFSTAR MARINE SERVICES AND JEFFSTAR, INC.

Date I licu.

Defendant(s)

Plaintiff(s)

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STATE OF NEW YORK: COUNTY OF NEW YORK ss:

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**BRIAN KLEINBERG** 

UNITED STATES CALERTISE COLUMNISE GLES SERVIPISTED GENERAL BY SERVICE STATES CONTROL OF STATES COLUMNISE COLUMNISE SERVICE STATES CONTROL OF STATES CONTROL

Pla

Plaintiff(s)

against -

ACE AMERICAN INSURANCE COMPANY A/S/O SIDNEY FRIEDMAN

Date Filed:

JEFFSTAR MARINE SERVICES AND JEFFSTAR, INC.

AFFIDAVIT OF SERVICE

Index #: 08 CV 4315

Defendant(s)

STATE OF NEW YORK: COUNTY OF NEW YORK ss:

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BRIAN KLEINBERG

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ACE AMERICAN INSURANCE COMPANY A/S/O SIDNEY FRIEDMAN

Index #: 08 CV 4315

Plaintiff(s)

- against -

Date Filed:

JEFFSTAR MARINE SERVICES AND JEFFSTAR, INC.

Defendant(s)

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2009

Larry Yee Notary Public, State of New York No. 01YE5015682 Qualified in New York County Commission Expires July 26, 2009

BRIAN KLEINBERG

#### Service of Process:

1:08-cv-04315-BSJ-AJP Ace American Insurance Company v. Jeffstar Marine Services et al CASREF, ECF

#### **U.S. District Court**

# United States District Court for the Southern District of New York

#### Notice of Electronic Filing

The following transaction was entered by Barnett, Gregory on 6/16/2008 at 2:34 PM EDT and filed on 6/16/2008

Case Name:

Ace American Insurance Company v. Jeffstar Marine Services et al

Case Number:

1:08-cv-4315

Filer:

Ace American Insurance Company

Document Number: 5

Docket Text:

AFFIDAVIT OF SERVICE. Jeffstar Marine Services served on 5/15/2008, answer due 6/4/2008; Jeffstar, Inc served on 5/15/2008, answer due 6/4/2008. Service was accepted by Carol Smith. Document filed by Ace American Insurance Company. (Barnett, Gregory)

# 1:08-cv-4315 Notice has been electronically mailed to:

Gregory George Barnett ggb@caseybarnett.com

# 1:08-cv-4315 Notice has been delivered by other means to:

The following document(s) are associated with this transaction:

Document description: Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp\_ID=1008691343 [Date=6/16/2008] [FileNumber=4701672-0] [8a300214f8563ec5a8be8f50a6dad983e83cbff60fb341279951c3003144ae9687f 618e426e46ec5f769d54b7b5dbd73093e216c95fbae22227b38f914648a4a]]

ATTORNEYS AT LAW 317 Madison Avenue, 21st Floor New York, New York 10017

Telephone: (212) 286-0225 Facsimile: (212) 286-0261 Web: www.caseybarnett.com

NEW JERSEY OFFICE Casey & Barnett, LLP 25 Prospect Street Morristown, NJ 07960

Tel: (973) 993-5161 Fax: (973) 539-6409

CHRISTOPHER M. SCHIERLOH

GREGORY G. BARNETT\*\*

MARTIN F. CASEY\*

\* Admitted in NY and NJ
\*\* Admitted in NY, NJ, La and OH

June 16, 2008

Via U.S. Mail
The Clerk of the Court
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007

Re:

Ace American Insurance v. Jeffstar Marine Services et al

08 Civ. 4315 (BSJ) (AJP)

Our File: 230-30

Dear Sir/Madam:

We write in reference to the above captioned civil action. Please find enclosed an original Return of Service and Waiver of Service of Summons, which we filed electronically on June 16, 2008.

Respectfully submitted,

CASEY & BARNETT, LLC

Gregory G. Barnett

GGB/crm

Encl.

ATTORNEYS AT LAW 317 Madison Avenue, 21st Floor New York, New York 10017

Telephone: (212) 286-0225 Facsimile: (212) 286-0261 Web: www.caseybarnett.com

June 10, 2008

**NEW JERSEY OFFICE** Casey & Barnett, LLP 25 Prospect Street Morristown, NJ 07960

Tel: (973) 993-5161 Fax: (973) 539-6409

MARTIN F. CASEY\* GREGORY G. BARNETT\*\*

CHRISTOPHER M. SCHIERLOH

\* Admitted in NY and NJ \*\* Admitted in NY, NJ, La and OH

Via U.S. Mail Jeffstar Marine Services

100 Jefferson Street Freeport, NY 11520

Re:

Ace American Insurance Company a/s/o Sidney Friedman v.

Jeffstar Marine Services and Jeffstar, Inc.

08 Civ. 4315 (BSJ) Our File No.: 230-30

#### Dear Sir/Madam:

We represent Ace American Insurance Company in the above referenced civil action. Please be advised that this action has been referred to United States Magistrate Judge Andrew J. Peck for general pretrial purposes. Please find also enclosed the Judge's Order concerning the pretrial phase of the litigation and a copy of the "Individual Practices of Magistrate Judge Andrew Peck."

Please be advised that your Answer is overdue. Accordingly, we recommend that you immediately retain counsel to protect your interests.

If you should have any questions or wish to discuss this matter further, please do not hesitate to contact the undersigned.

Very truly yours,

CASEY & BARNETT, LLC

Gregory G. Barnett / M

Encl.

GGB/crm

ATTORNEYS AT LAW 317 Madison Avenue, 21st Floor New York, New York 10017 Telephone: (212) 286-0225

MARTIN F. CASEY\* Facsimile: (212) 286-0261 GREGORY G. BARNETT\*\* Web: www.caseybarnett.com

CHRISTOPHER M. SCHIERLOH

\* Admitted in NY and NJ \*\* Admitted in NY, NJ, La and OH

**NEW JERSEY OFFICE** Casey & Barnett, LLP 25 Prospect Street Morristown, NJ 07960

Tel: (973) 993-5161 Fax: (973) 539-6409

June 18, 2008

Via Federal Express Jeffstar Marine Services 100 Jefferson Street Freeport, NY 11520

> Re: Ace American Insurance Company a/s/o Sidney Friedman v.

Jeffstar Marine Services and Jeffstar, Inc.

08 Civ. 4315 (BSJ) (AJP) Our File No.: 230-30

#### Dear Sir/Madam:

We write in reference to the above captioned civil action. We sent you a letter on February 14, 2008 stating our claim against you, but it was unanswered. We filed suit and served you with the Summons and Complaint on May 15, 2008. We sent you a letter on June 10, 2008 advising that you were late in filing your Answer to the Complaint. Please be advised that we have been advised by the Court that if your Answer is not filed with the Court by June 25, 2008, we will file an application for a Default Judgment. Therefore, we recommend that you immediately retain counsel and have them file an Answer and contact the undersigned.

Very truly yours,

CASEY & BARNETT, LLC

Gregory G. Barnett

Encl.

GGB/crm

From: Origin ID: OGSA (212)286-0225

Martin Casey CASEY & BARNETT 317 Madison Avenue 21ST FLOOR NEW YORK, NY 10017



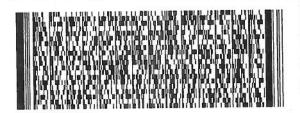
CLS053008/21/24

**BILL SENDER** SHIP TO: 516-377-1480

Jeffstar Marine Services

100 JEFFERSON ST

FREEPORT, NY 115206207



Ship Date: 18JUN08 ActWgt: 1 LB System#: 5589837/INET8061 Account#: S \*\*\*\*\*\*\*\*

Delivery Address Bar Code



Ref# 230-30 Invoice # PO# Dept#

0201

THU - 19JUN

A2 STANDARD OVERNIGHT

ZM ELZA

7920 7335 6316

11520 NY-US **JFK** 



After printing this label:

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2. Fold the printed page along the horizontal line.

3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic valueof the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

# JEFFSTAR MARINE SERVICES INC.

100 Jefferson Street Freeport NY 11520 Phone/Fax 516-377-1480

June 20, 2008

Via Federal express / fax CASEY & BARNETT, LLC ATTORNEYS AT LAW 317 Madison Avenue, 21st floor New York NY 10017

RE: Ace American Insurance Company /Sidney Friedman.

08 Civ. 4315(BSJ) (AJP) Your File No.: 230-30

# Dear Gregory Barnett:

Please take note to item (4) in your summons and complaint as follows. Jeffstar Inc is not and never was the owner or operator of Jeffstar Marine Services Inc. They are (2) separate and distinct Corporations with different ownership. Please reissue summons and complaint to Jeffstar Marine Services Inc. Solely. Jeffstar Inc. has nothing to do with this matter and would require separate counsel. Upon receipt of new summons and complaint, Jeffstar Marine Services counsel will respond accordingly.

Thank You,

as president

Jeffstar Marine Services Inc.

## JEFFSTAR MARINE SERVICES 100 JEFFERSON STREET FREEPORT NY 11520 516-377-1480

**JUNE 30, 2008** 

VIA U.S MAIL/OVER NIGHT THE CLERK OF THE COURT DANIEL PATRICK MOYNIHAN UNITED STATES COURTHOUSE 500 PEARL STREET NEW YORK, NY 10007

RE: ACE AMERICAN INSURANCE V. JEFFSTAR MARINE SERVICES INC

08 CIV. 4315 (BSJ) (AJP) THEIR FILE: 230-30

#### DEAR SIR/MADAM:

PLEASE REFER TO OUR LETTER DATED JUNE 20, 2008 TO CASEY & BARNETT, LLC TO THE ATTENTION OF GREGORY BARNETT REQUESTING JEFFSTAR INC BEING REMOVED FROM THIS ACTION AS THEY ARE A SEPARATE AND DISTINCT CORPORATION. WE RECEIVED A NOTICE THAT THEY WERE APPILING FOR A DEFAULT JUDGEMENT. JEFFSTAR MARINE SERVICES IS IN PROCESS OF RETAINING COUNCEL TO ADDRESS THIS MATER.

as president

JEFFSTAR MARINE SERVICES INC

C.C. Gregory Barnett / Casey & Barnett LLC

# FAX TRANSMITTAL SHEET



# ANDREW J. PECK UNITED STATES MAGISTRATE JUDGE UNITED STATES DISTRICT COURT

Southern District of New York **United States Courthouse** 500 Pearl Street, Room 1370 New York, N.Y. 10007-1312

Fax No.:

(212) 805-7933

Telephone No.: (212) 805-0036

Dated: July 2, 2008

Total Number of Pages: 2

ТО	FAX NUMBER
leffstar Marine Services	516-377-1480
Gregory G. Barnett, Esq.	212-286-0261

# TRANSCRIPTION:

#### MEMO ENDORSED 7/2/08

As of now, both Jeffstar entities are in default. A corporation can only appear in Court by counsel. Unless counsel for either or both Jeffstar entities appears promptly in this case, i.e., no later than 7/11/08, default judgment will be entered.

Copies:

Jeffstar Marine Services (Fax, Regular & Certified Mail)

Judge Barbara S. Jones

## JEFFSTAR MARINE SERVICES 100 JEFFERSON STREET FREEPORT NY 11520 516-377-1480

**JUNE 30, 2008** 

VIA U.S MAIL/OVER NIGHT THE CLERK OF THE COURT DANIEL PATRICK MOYNIHAN UNITED STATES COURTHOUSE 500 PEARL STREET NEW YORK, NY 10007



USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
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DATE FILED: 7/2 108

Re: ACE AMERICAN INSURANCE v. Jeffstar Marine Services Inc 08 Civ. 4315 (BSJ) (AJP) Their file: 230-30

#### DEAR SIR/MADAM:

PLEASE REFER TO OUR LETTER DATED JUNE 20, 2008 TO CASEY & BARNETT, LLC TO THE ATTENTION OF GREGORY BARNETT REQUESTING JEFFSTAR INC BEING REMOVED FROM THIS ACTION AS THEY ARE A SEPARATE AND DISTINCT CORPORATION. WE RECEIVED A NOTICE THAT THEY WERE APPILING FOR A DEFAULT JUDGEMENT. JEFFSTAR MARINE SERVICES IS IN PROCESS OF RETAINING COUNCEL TO ADDRESS THIS MATER.

### LAW OFFICES OF DAVID CARLEBACH, ESQ.

40 Exchange Place New York, New York 10005 Business: 212-785-3041 Fax: 212-785 3618

FROM: David Carlebach, Esq.

DATE: July 3, 2008

# **FAX COVER SHEET**

TO:

Gregory G. Barnett, Esq. Casey & Barnett, LLC

317 Madison Avenue, 21st Floor

New York, NY 10017 Phone: (212) 286-0225 Fax: (212) 286-0261

#### MESSAGE:

NUMBER OF PAGES FOLLOWING THIS COVER SHEET: 5

IF YOU NEED A CONFIRMATION OR ANY OF THE PAGES RE-SENT, PLEASE CALL OUR OFFICE AT THE ABOVE PHONE NUMBER.

# LAW OFFICES OF DAVID CARLEBACH, ESQ. 40 Exchange Place New York, New York 10005 (212) 785-3041

Telecopier (212) 785-3618

July 3, 2008

# BY FACSIMILE TRANSMISSION AND OVERNIGHT CARRIER (212) 286-0261

Gregory G. Barnett, Esq. Casey & Barnett, LLC 317 Madison Avenue, 21st Floor New York, NY 10017

Re:

Jeffstar, Inc.

Chapter 11 Case No. 08-71854-ast

United States Bankruptcy Court, Eastern District of New York

AMERICAN INSURANCE COMPANY a/s/o SIDNEY FRIEDMAN vs. JEFFSTAR MARINE SERVICES and JEFFSTAR,

United States District Court, Southern District of New York

Case No. 08cv4315

Entry of Default Judgment against Jeffstar, Inc.

Dear Mr. Barnett:

Please be advised that the above referenced debtor, Jeffstar, Inc. (the "Debtor"), has filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on April 15, 2008, with the United States Bankruptcy Court for the Eastern District of New York. A copy of the petition is enclosed herewith.

Accordingly, pursuant to Section 362(a) of the Bankruptcy Code the above referenced action as well as entry of a default judgment is automatically stayed. Section 362(a) of the Bankruptcy Code provides one of the fundamental protections afforded to a debtor in a bankruptcy case. Section 362(a) is applicable to all creditors and stays, inter alia, the following:

the commencement or continuation, including the issuance or employment of process, 1. of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced against the debtor before the commencement of the . . . case, or to recover a claim against the debtor that arose before the commencement of the . . . case;

- the enforcement, against the debtor or against property of the estate, of a judgement 2. obtained before the commencement of the . . . case;
- any act to obtain possession of property of the estate, or of property from the estate or to 3. exercise control over property of the estate; and
- any act to create, perfect, or enforce any lien against property of the estate. 4.

See §362(a) of the Bankruptcy Code.

Accordingly, the above referenced action, as well as any entry of a default judgment, must immediately cease since its continued prosecution would constitute a violation of 362(a), set forth more fully above.

Any violation of the automatic stay may subject you and your client to sanctions and penalties pursuant to, inter alia, Section 362(h) of the Bankruptcy Code and Contempt of Court pursuant to Section 105(a) of the Bankruptcy Code,

Very truly yours,

David Carlebach

Hon. Barbara S. Jones, United States District Judge - SDNY (via FedEx) cc: Hon. Andrew J. Peck, United States Magistrate Judge - SDNY (via FedEx) Dan Olivicri, Esq. (via Facsimile)

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FORM B1, Page 2

3 (Otheral Form 1) (1/08)						
Voluntary Petition - Amended (This page must be completed and filed in every case)	Name of Debtor(s):  Jeffstar, Inc.					
The state of the s	st 8 Years (If more than two, attach additional sheet.)					
	Case Number	Date Filed:				
Viere Filed: NONE		Date Filed:				
Location Where Fited:	Case Number:	Date Filed:				
Pending Bankruptcy Case Filed by any Spouse, Partner o	r Affiliate of this Debtor (If more than one, attach ad					
Name of Debtor: NONE	Case Number:	Date Filed:				
District:	Relationship:	Judge:				
Exhibit A  (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)  Exhibit A is attached and made a part of this petition.	Exhibit B  (To be completed if debtor is whose debts are primarily con  L the attorney for the petitioner named in the foregoi have informed the petitioner that the or she] may pre 12, or 13 of title 11, United States Code, and have available under each such chapter. I further certify the thore the notice required by 11 U.S.C. § 342(b).  X Not Applicable Signature of Attorney for Debtor(s)	sumer debts) ng petition, declare that I ceed under chapter 7, 11, xplained the relief				
	Signature of Attorney for Decici(s)					
Ex	hibit C					
Does the debtor own or have possession of any property that poses or is alleged to pose a  Yes, and Exhibit C is attached and made a part of this petition.	threat of imminent and identifiable harm to public hoa	ith or safety?				
	biblt D					
(To be completed by every individual debtor. If a joint petition is filed, each spouse must be stated and made a part of						
If this is a joint petition:						
Exhibit D also completed and signed by the joint debtor is attached and made	a part of this petition.	*				
Information Regar	rding the Debtor - Venue					
Debtor has been domicited or has had a residence, principal place preceding the date of this petition or for a longer part of such 180	y applicable box) c of business, or principal assets in this District for 180 of days than in any other District.	days immediately				
There is a bankruptcy case concerning debtor's affiliate, general p	partner, or partnership pending in this District.					
Debtor is a debtor in a foreign proceeding and has its principal pl has no principal place of business or assets in the United States by this District, or the interests of the parties will be served in regard	nt is a detendant in an action of proceeding in a icocia	n this District or lor state court] in				
Certification by a Debtor Who Res (Check all a	ides as a Tenant of Residential Property applicable boxes.)					
Landlord has a judgment against the debtor for possession of deb	Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following).					
	(Name of landlord that obtained judgment)					
	(Address of landlord)					
Debtor claims that under applicable nonbankruptcy law, there are entire monetary default that gave rise to the judgment for possess	e circumstances under which the debtor would be permi	tied to cure the				
Debtor has included in this petition the deposit with the court of filing of the petition.	any rent that would become due during the 30-day peri	od after the				
Debtor certifies that he/she has served the Landford with this co	Debtor certifies that he/she has served the Landford with this certification. (1) U.S.C. § 362(1)).					

4/15/2008 Date

B 1 (Official Form 1) (1/08) FORM B1, Page 3 Voluntary Petition - Amended Name of Debtor(s): (This page must be completed and filed in every case) Jeffstar, Inc. **Signatures** Signature(s) of Debtor(s) (Individual/Joint) Signature of a Foreign Representative I declare under penalty of perjury that the information provided in this petition is true I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, [If petitioner is an individual whose debts are primarily consumer debts and has and that I am authorized to file this petition. chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 (Check only one box.) or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter /. I request relief in accordance with chapter 15 of Title 11. United States Code. If no attorney represents me and no bankruptcy petition preparer signs the petition) I have obtained and read the notice required by 11 U.S.C. § 342(b). Certified Copies of the documents required by § 1515 of title 11 are attached. Pursuant to 11 U.S.C. § 1511. I request relief in accordance with the Chapter of title 11 specified in the polition. A certified copy of the I request relief in accordance with the chapter of title 11. United States Code, specified order granting recognition of the foreign main proceeding is attached. in this petition. X Not Applicable X Not Applicable (Signature of Foreign Representative) Signature of Debtor X Not Applicable (Printed Name of Foreign Representative) Signature of Joint Debtor Telephone Number (If not represented by attorney) Date Date Signature of Attorney Signature of Non-Attorncy Petition Preparer X s/David Carlebach DC-7350 I declare under penalty of perjury that: (1) I am a bankroptcy petition preparer as defined Signature of Attorney for Debtor(s) in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 David Carlebach Bar No. DC-7350 U.S.C. §§ 110(b), 110(b), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable Printed Name of Attorney for Debtor(s) / Bar No. by bank uptcy petition preparers. There given the debter notice of the maximum are before preparing any document for filing for a debtor or accepting any fee from the debtor, Law Offices of David Carlebach as required in that section. Official Form 19 is attached. Firm Name 40 Exchange Place, Suite 1306 New York, New York 10005 Not Applicable Address Printed Name and title, if any, of Bankruptcy Petition Preparer 212-785-3618 212-785-3041 Social-Security number (If the hankeuptcy potition preparer is not an individual, state Telephone Number the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.) 4/15/2008 \*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a Address certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect X Not Applicable Signature of Debtor (Corporation/Partnership) I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the Date Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above. The debior requests the relief in accordance with the chapter of title 11, United States Names and Social-Security numbers of all other individuals who prepared or assisted Code, specified in this petition. in preparing this document unless the bankruptcy petition preparer is not an individual. If more than one person prepared this document, attach to the appropriate official form Signature of Authorized Individual for each person. Printed Name of Authorized Individual A Dankrupicy petition preparer's fatlure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110: 18 U.S.C. § 156. Title of Authorized Individual

01/08/08

COMMENTS INQUIRY

APLCINQ

FILE ID : X 796 S 171402-0 INS/ACCT NAME: FRIEDMAN; SIDNEY

SUBL/SUF: DATE ENTERED: 01/03/08 USER ID: 796-524 COMMENT NO.: 43

INDEX LINE: RSS - Initial Analysis and Strategy

| CREATED BY: Goebel, Judy A.

| PHYSICAL EVIDENCE AVAILABLE: YES

| LOSS EVENT DESCRIPTION:

Insured had his vessel winterized by Jeffstar Marine Services and on June 26th he was advised that they had failed to properly winterize the starboard engine causing damage due to freezing. They indicated they had repaired it. However our surveyor found that the closed cooling side of the starboard engine froze causing cracks in the exhaust manifolds, cross over pipe, inter cooler, heat exchanger tank and other engine components. He indicates that Jeffstar attempted an improper repair to the engine and heat exchanger by welding the heat exchanger. They released the vessel to the insrued with cracks present in the exhaust manifolds that were causing coolant to be lost from the closed

TO VIEW OLDER COMMENTS PRESS ENTER. TO VIEW NEWER COMMENTS PRESS PF7. DO YOU WANT TO ENTER ANOTHER COMMENT? (Y/N): N ... PRESS ENTER.

PF1 HELP | | PF3 BACK | PF5 COMMENT INDEX | | PF7 VIEW NEWER |

Date: 1/8/2008 Time: 10:57:30 AM

File 107/22/2008 Page 1 of 7

Insurance Underwriting Agency, Inc.

Vessel Owners or Masters Protest

77.1	N.T.	MAC	0	1 77 1	400	^
Hile	NO:	796	3	1 / 1	402-	-()

ANY PERSON WHO KNOWINGLY FILES A STATEMENT OF CLAIM CONTAINING ANY FALSE OR MISLEADING INFORMATION IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES. IMPORTANT NOTE: All theft losses must be reported to your local police or law enforcement agency serving the area in which the theft occurred. An accident involving property damage in excess of \$500 or personal injury requiring medical treatment beyond first aid must be reported to the state or federal agency numbering your boat or having jurisdiction over the location of the accident. DEAN FRIEDMAN Coast Guard. No. (if applicable) 1100917 am the Owner/Master of vessel "SUNCLIPPER" My address is: C/O OPSALES, 4217 AUSTIN BLVD, ISLAND PARK, NY 11558 On the 13th day of JULY , 2003 , At approximately 9:00 o'clock P M., while located at In the Atlantic Ocean, 15 miles SE of Jones The above vessel met with an accident, the circumstances of which are in detail, as follows: inlet Failure of starboard main engine due to loss of coolant. Please see statement dated AUGUST 28th, 2007, as well as invoices from Jeffstar Marine Services The damage directly caused to said vessel by this accident is as follows: (Describe in detail all pars of the vessel which were damaged and the extent of the damage, or attach survey if available) Please see statement dated August 28th, 2007, attached, as well as: Attantic Detroit Diesel invoices, photos The damage to said vessel may be inspected at Surveyor Young already has inspected vessel and damaged parts Cost of repairs has been estimated at \$ 49,979

(Name of Surveyor or repair yard: and attach written estimate, if possible)

# Case 1:08-cv-04315-BSJ-AJP Document 18-12 Filed 07/22/2008 Page 2 of 7 THIS SECTION IS APPLICABLE TO THIRD PARTY CLAIMS ONLY.

As a result of this accident, damage was caused to other vessels or property, or injury to persons, as follows: (Describe same fully, giving the names and addresses of the property damaged or persons injured.)

Names and Addresses N/A	Type of Damage or Injury	Estimated Amount
Other vessels in vicinity were:		
	(Give names or describe)	1. 1. 1. 1
The names and permanent addresses or v	witnesses, including the crew of said v	essel are listed below:
Witness		Address
	owned said	
encumbrances on same, and there was no insuran	ce other than Policy No.	of the
Analyzorototorion and deli gradui sua se servicadanti. Sociosos di associo	except as fo	House Gliet any angumbraness and any
other insurance policies.)	0.000	
All facts material to the question of insurance lia	bility are stated above or attached hereto, and	no such fact is withheld.
(Note: Attach surveys, estimates, statements of v showing how it happened, should be atta		ements. In case of collision a diagram,
the state of the second st	orm nor acceptance of the completed of liability by said Company	d statement by the Insurance
Witness Le Bye DAVID R	BYCK Signed / Mun	mit
Address 2482 walters C	- Bellusa NY 1110 Date September	(State whether Owner, Master, etc.) r 11, 2007
State of hem york		
County of hassar	SS.	
Personally appeared DEAN M.	FRiedman	, Signer of the foregoing
statement, who made solemn oath that the	ne same is true, and that no material fa	act is withheld.
Subscribed and sworn to before me, the	/ 2	5 7 / 2 7
NOTE: NOTARIZATION UNNECESSARY LOSS DOES NOT EXCEED \$ 2500.00	WHEN AMOBANDOR SEIDOWN AND AND AND AND AND AND AND AND AND AN	Notary Public (Seal)

# Sidney Friedman

4217 Austin Boulevard Island Park, NY 11558

August, 28th 2007

To Whom It May Concern,

Please let this statement set forth a detail of business conducted by and between myself as agent for my father, Sidney Friedman, and Jeffstar Marine Service aka Jeffstar Inc., and Dominic Ialici, one of the owners of Jeffstar. My father is the registered owner of the vessel and has been since its purchase in July, 2000.

This statement details a series of events which occurred between September-October, 2006 to date.

In the fall of 2006, the vessel, Sunclipper II, owned by my father, Sidney Friedman, was delivered by me to Jeffstar Marine Services/Jeffstar Inc., at its boatyard located at, 100 Jefferson St., Freeport, NY 11520. Said vessel was delivered for the purpose of winterizing, repair and storage during the late fall, winter and early spring.

The vessel in question, Sunclipper II, is a 1993, forty-eight foot, fly bridge, properly registered and documented, official number 1100917, sport fishing boat bearing hull number RIX48011A393.

Following discussions with the principal owner of Jeffstar, it was agreed that Jeffstar would perform the following services with reference to said vessel:

- 1) Full winterization of two diesel engines and all freshwater systems.
- 2) Protective shrink wrap of vessel following winterization.
- 3) Due to blisters exhibited upon hauling the vessel, it was agreed by and between me, my father and Jeffstar that the hull from the water line to the bottom of the keel had to be bead blasted and sanded in order to determine the extent of moisture in the hull
- 4) An approximate quotation at that time in order to make repairs to the hull was \$9000.00. These repairs and cost were approved and authorized.

- 5) Further repairs were required, including two new raw water intake valves for both port and starboard motors as part of ongoing maintenance. This repair was approved and authorized.
- 6) Both raw water intake valves for both heads (toilets) were also in need of replacement and this was approved and authorized, again, as part of ongoing maintenance.
- 7) After the bead blasting operation, and the gel coat sanding were completed, it was determined that the hull of the boat had previously been barrier coated which indicated that further sanding of the hull would be required (please note: Jeff star's estimate number 2085, as this estimate indicated that the extra labor involved to remove the original barrier coat "should be close"). This was approved and authorized.
- 8) The only other service rendered by Jeffstar at my request was to have the hull compounded and waxed at a quoted cost of \$12.00 per foot equaling a total charge of \$576.00. This portion of Jeffstar's service was performed to my satisfaction and paid for.

During the months of November and December 2006, as well as, January, February, March, April, May and June of 2007, I visited the premises of Jeffstar no less than three times per month in order to check the ongoing work, and I maintained a dialogue with both the boat yard foreman, John, as well as the yard labor workers.

In addition, during these many months, many conversations were had with Dominic Ialici, a principal of Jeffstar, concerning the work being performed on the vessel in question.

During the period from December, 2006, until June, 2007, payments, including cash payments, were made by me to Jeffstar in the following amounts:

\$1663.16

\$400.00

\$1527.16

\$4500.00

\$2000.00

\$4000.00

\$576.00

\$14,666.32

Written acknowledgement and receipts for all of these payments were provided to me by writing on the paid invoice prepared by the secretary of Jeffstar, Carol Maitland.

Commencing on or about May 10th, 2007, I started to have difficulties in communicating with Jeffstar and especially with Dominic Ialici. Statements were made to me by Jeffstar employees that Mr. Ialici had locked himself into his boat and was not leaving his boat or taking calls from anyone, including his employees, for any reason. In addition, I was told that this was not the first time that Mr. Ialici has acted in this manner.

This inability to communicate led to my father directing me to retain the services of a marine surveyor in order to review the work done to the hull of the vessel from the water line to the keel inasmuch as the work did not appear to be correct.

Due to the observations and comments made by the surveyor, Mr. Arnold Gaba, I found it necessary to immediately communicate with Mr. Ialici. Unfortunately, he would not return my calls and I, therefore, had to advise the secretary for Jeffstar that the surveyor, Mr. Arnold Gaba, had stated that their work did not appear to be correct.

It now became apparent to both my father and me that it would be in our best interest to allow Jeffstar to complete certain work, pay for the services completed and acceptable, and, as quickly as possible, remove the vessel from the Jeffstar premises.

In order to accomplish this goal, I purchased anti-fouling bottom paint (Interlux Micron Extra) from Freeport Marine and delivered it to Jeffstar along with all running gear zincs to be applied to the vessel before it was recommissioned.

On or about June 26th 2007, the Jeffstar yard foreman, John, notified me that the vessel would be ready to be put into the water and taken away. Previous to this communication, I was unable to communicate with Jeffstar for approximately three weeks because of the refusal of Mr. Ialici to return my phone calls and my being advised that he had once again deliberately locked himself in his vessel.

When I arrived for the launch of the vessel, I was advised by John, the yard foreman, that, when the coolant levels were checked, there was damage to

the fresh water side of the starboard engine including the heat exchanger end plate as well as the heat exchanger itself, plus assorted hoses. I was further advised that three freeze plugs had come out, all of which indicated an improper winterization process by Jeffstar. When I inquired as to how this happened, His reply was, "I don't know".

The heat exchanger end plate on the fresh water side was repaired and I was advised by John, that a pressure test had been performed. I was told that the results of the pressure test were positive and normal.

I, and the yard foreman, John, ran the vessel from Jeffstar to the bottom of the Hudson canal, then made a turn into an open canal and tested the motor for damage at 1500 rpm's. This test occurred for a distance of approximately three quarters of a mile in each direction at which point the vessel returned to Jeffstar to drop off the yard foreman. The vessel then proceeded to the Lawrence Yacht Basin, Lawrence NY, where the vessel remained until July 12th for other maintenance as well as some repairs caused by the negligence of Jeffstar as follows. These repairs were paid for by myself, Dean Friedman.

- 1) Canvas on both sides of the fly bridge damaged or destroyed \$175.00
- 2) Refrigerator water service valve frozen and cracked \$57.20
- 3) It should be noted that the sun shade canvas and support for the fly bridge was taken off the vessel and never returned, presumed value \$52.00.
- 4) The upper station ignition keys were removed from the vessel and lost by Jeffstar. New ignition switches had to be installed \$125.00

On or about July 13th 2007, the vessel was used for the first time following the completion of the required repairs and, after running at 1800 rpm's for a period of an hour and forty five minutes, I detected an abnormal increase in temperature to the starboard engine. In slowing down and turning off the engine, an extensive amount of steam was coming out of the engine room door into the cockpit. This necessitated my return to the Lawrence Yacht Basin running only on the port engine.

I attempted to advise Mr. Ialici of the engine problems he and his firm had created, and the damage they had caused, both by several telephone calls, as

well as two registered letters, return receipt requested, which were delivered to Jeffstar, but did not result in my receiving a reply.

Therefore, in order to repair the damage to the starboard engine which clearly had not been winterized, I found it necessary to contact Atlantic Detroit Diesel/Allison. Following their survey and examination of the damaged engine, I received an estimate of repair from Atlantic Detroit Diesel/Allison in the amount of \$30,000. However, the work, labor and parts required to repair the engine exceeded the estimate and the sum of \$49,629.47 was paid.

Sidney Friedman

Dean Friedman

### Jeffstar Marine Services

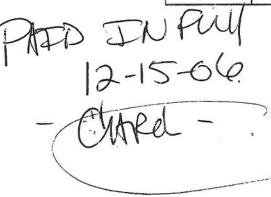
100 Jefferson Street Freeport, NY 11520 (516) 377-1480

### **Estimate**

DATE	ESTIMATE NO.
12/7/2006	2068

#### NAME / ADDRESS

DEAN FRIEDMAN 61 ULSTER AVE ATLANTIC BEACH NY 11509



BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER		48	6V92	DETROIT	SUN CLIPPER
DESCRIPTION			QTY	COST	TOTAL
WINTERIZE DIESEL EN ANTIFREEZE LEVEL, FI COOLING SYSTEM WIT	LUSH AND FILL RAY	W WATER	2	150.00	300.00
SHRINKWRAP			48	17.00	816.00
LARGE SHRINKWRAP I	DOOR		1	50.00	50.00
YARDMAN SANDING S FOR MOISTURE TESTIN		NS ON HULL	0.75	50.00	37.50
MECHANIC (LABOR) JC MOISTURE READINGS I THREE TIMES.			2	98.00	196.00
NO-DAMP 36 OZ.	9		4	9.40	37.60
STAR BRITE MILDEW B	BAGS (2) PACK		4	8.50	34.00
WINTERIZE FRESH WHEATER, _2 HEAD,S	SINKS,SHOWERS DOOR SHOWER,	5,	2	30.00	60.00
WASHER,A/C, ICE NYSALES TAX	MAKER			8.625%	132.06
			_	¥?	
				TOTAL	\$1,663.10

STAK MARINE

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Filed 07/22/2008

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## Jeffstar Marine Services

100 Jefferson Street Freeport, NY 11520 (516) 377-1480

# **Estimate**

DATE	ESTIMATE NO.
3/27/2007	2143

NAME / ADDRESS

DEAN FRIEDMAN 61 ULSTER AVE

ATLANTIC BEACH NY 11509

AND IN Full Obuse Maitle

BOAT MFG. & YE	MODEL	LOA	ENGINE		MODEL	BOAT NAME
. 93 RICKER		48	6V92		DETROIT	SUN CLIPPER
	DESCRIPTION		QTY		COST	
MECHANIC (LABOR)	JOHN 1/22/07 REMOVE	(2) ENGINE		4.5		TOTAL
TATA CT ATTA CO WAIL	(2) HEAD VALVES		a	73	98.00	441.00
3/4 BRZ FULL FLO VA	LVE		60	2	33.95	
3" GROCO FULL FLO I	BALL TYPE SEACOCK	•			1	67.90
SHIPPING ON VALVES				2	425.00	850.00
NYSALES TAX	1			2	23.50	47.00
		1.	•	1	0.625%	121.26
	2		25			10
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100 Jefferson Street Freeport, NY 11520 (516) 377-1480

# **Estimate**

DATE	ESTIMATE NO
1/16/2007	2073

NAME / ADDRESS	
DEAN FRIEDMAN	
61 ULSTER AVE	
ATLANTIC BEACH NY 11509	
10 Denie in control de control de la control	

BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER		48	6V92	DETROIT	SUN CLIPPER
DESCRIPTION		QTY	COST		
BEADBLAST BOTTOM	WITH ENVIROMENT	ALS	48	40.00	TOTAL
YARDMAN (LABOR):1/30/07 TWO YARDMAN TWO HOURS		4	50.00	1,920 00	
YARDMAN (LABOR):1/3 HOURS EACH DAY GRI COAT OFF BOTTOM OF		E YARDMAN 8 AT AND GELL	24	50.00	200.00°
3M 8" HOOKIT SANDING			35	4.00	149.007
YARDMAN (LABOR):2/6/07 TWO YARDMAN 7.5 HOURS EACH,GRINDING BARRIER COAT AND GELLCOAT OFF BOTTOM OF PARTS.			15	50.00	750.007
YARDMAN (LABOR):2/7/ GRINDING BARRIER CO. OF BOAT	07 ONE YARDMAN 9 AT AND GELL COAT	HOURS OFF BOTTOM	9	50.00	450.007
ARDMAN (LABOR):2/8/ CACH	07 TWO YARDMAN	7.5 HOURS	15	50.00	750.001
ARDMAN (LABOR):2/9/ ACH.	07 TWO YARDMAN	7.5 HOURS	15	50.00	750.00T
ARDMAN (LABOR):2/12/07 TWO YARDMAN 8 HOURS		8 HOURS	16	50.00	800.00T
ARDMAN (LABOR):2/15/07 TWO YARDMAN 7.5 HOURS			15	50.00	750.00T
ECHANIC (LABOR) JOH LATE OFF TRANSOM WI	N 2/16/07 REMOVE F TH TORCH.	ROZEN ZINC	0.5	110.00	55.00T
			7/3	ATA:	
			10	TAL	

Page 1

100 Jefferson Street Freeport, NY 11520 (516) 377-1480

# **Estimate**

DATE	ESTIMATE NO
1/16/2007	2073

NAME / ADDRESS	
DEAN FRIEDMAN 61 ULSTER AVI: ATLANTIC BEACH NY 11509	

BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER		48	6V92	DETROIT	
	DESCRIPTION		QTY		SUN CLIPPER
DOMINICK				COST	TOTAL
DOMINICK 2/7/07		1	7	-4,500.00	-4.500.00
REMOVE NAME  MECHANIC (LABOR) JOHN 3/14/07 DO MOISTURE READING  YARDMAN (LABOR):3/15/07 POWERWASH, SET UP HEATER ON BOAT, LITTLE WATER CAME OF THE SET UP HEATER			1	-2,000.00	-2,000.00
			1	125.00	125.00
			0.25	110.00	27.50
	EN CAME OUT. (STIL	L PINS METER)	1	50.00	50.00
MECHANIC (LABOR) JC 4" SHRINKWRAP TAPE	OHN 3/21/07 DO MOIST	TURE READING	0.25	110.00	27.50
SHRINKWRAP AND STRING TO TENT			2	22.00	44.00
			1	80.00	80.00
BOTTOM	ARDMAN (LABOR): 2 MEN 1 1/2 HRS EACH TO TENT			50.00	150.007
O LB PROPANE TANK	SET UD BEGGE AND		6	28.00	168.007
ARDMAN (LABOR):TO SET UP PROPANE TANKS, HEAT OAT, AND BREAK DOWN TANKS. (1) HOUR EACH DAY. 5/07, 6/6/07,6/7/07, 6/8/07, 6/11/07, 6/12/07,6/13/07,7/14/07 ND 7/15/07.			8	70.00	\$60.007
ARDMAN (LABOR):GRI URAGI,ASS, SAND AND	ND ALL BLISTERS AT SMOOTH	ND FILL WITH	32	50.00	1,600.00T
ARDMAN (LABOR):APP DAT	LYING 5 COATS OF B	ARRIER	24	50.00	1,200.00T
			TO	TAL	

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## Jeffstar Marine Services

100 Jefferson Street Freeport, NY 11520 (516) 377-1480

# **Estimate**

DATE	ESTIMATE NO.
1/16/2007	2073

BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER	177-	48	6V92	DETROIT	SUN CLIPPER
DESCRIPTION			QTY	COST	TOTAL
YARDMAN (LABOR): PAINT	APPLYING 3 COATS	OF BOTTOM	13	50.00	650.00
DURA GLASS (GALLON)  PEIN 6" (8) HOLE SANDING DISC'S 60 OR 40 GRIT (25) PACK			4	48.00	192.00
			2	46.79	93.58
PETTIT HIGH BUILD E KIT)	POXY BARRIER COA	T (1 GALLON	10	106.79	1,067.907
PETTIT UNEPOXY BOX			3	79.99	239.9 <b>7</b> T
CHIP BRUSH, ROLLER			8	15.00	120.007
MECHANIC (LABOR) J THROUGH HULL VALV	VES	TO INSTALL	1.5	110.00	165.007
MECHANIC (LABOR) JO		. 1	2.5	110.00	275 00-
ÆCHANIC (LABOR) J		TAKE HOSES.	1.5	110.00	275.00T 165.00T
VATER / EXHAUST HO		*	1	272.00	272.00T
HITE SILICONE TUBE			4	6.94	27.76T
TECHANIC (LABOR) JO RACK IN STBD HEAT	DHN6/27/07 : CHECK F EXCHANGER COVER	LUIDS, FOUND REMOVED	1.5	0.00	0.00T
IECHANIC (LABOR) JC OVER. REPLACE BAD /G	HN 6/27/07 , INSTALL	TID ON THE	4	0.00	0.00Т
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		TO	DTAL	

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100 Jefferson Street Freeport, NY 11520 (516) 377-1480

DATE	ESTIMATE NO.
1/16/2007	2073

NAME / ADDRESS	
DEAN FRIEDMAN 61 ULSTER AVE ATLANTIC BEACH NY 11509	

BOAT MFG. & YE	MODEL	LOA	CNOING	T	
93 RICKER		48	ENGINE	MODEL	BOAT NAME
	DESCRIPTION	46	6V92	DETROIT	SUN CLIPPER
MECHANIC (LABOR) TO		MOTOR ADD	QTY	COST	TOTAL
GALLONS ANTI FREEZ	E .CLEAN BILGE AN	D TOUCH UP	5	0.00	0.0
AROL 6/29/07 YSALES TAX				-4,000.00 8.625%	-4,000.00 393.75
			ТО	TAL	\$4.958.96

### Jeffstar Marine Services

100 Jefferson Street Freeport, NY 11520 (516) 377-1480

DATE	ESTIMATE NO.
1/5/2007	2085

NAME / ADDRESS	
DEAN FRIEDMAN	
61 ULSTER AVE	
ATLANTIC BEACH NY 11509	

BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER		48	6V92	DETROIT	SUN CLIPPER
DESCRIPTION			QTY	COST	TOTAL
BEADBLAST BOTTOM	WITH ENVIROMEN	TALS	48	40.00	1,920.007
YARDMAN SANDING	GELCOAT AFTER BL	ASTING	15	50.00	750.003
YARDMAN (LABOR):0 DURAGLASS, SAND S		S AND FILL WITH	32	50.00	1,600.007
YARDMAN (LABOR):, COAT	APPLYING 5 COATS (	OF BARRIER	24	50.00	1,200.007
YARDMAN (LABOR):A PAINT.	APPLYING 3 COATS (	OF BOTTOM		50.00	50.007
DURA GLASS (GALLO	N) ****		5	48.00	240.007
FEIN 6" (8) HOLE SANDING DISC'S 60 OR 40 GRIT (25) PACK			2	46.79	93.58
PETTIT HIGH BUILD EPOXY BARRIER COAT (1 GALLON KIT)			10	106.79	1,067.907
PETTIT UNEPOXY BO	TTOM PAINT		. 3	79.99	239.97
PETTIT "ULTIMA" PRO COPPER ALBLATIVE BOTTOM PAINT WITH "BIOLUX" SLIME/GRASS ADDITIVE.			. 5	195.00	975.00
CHIP BRUSHS, ROLLE	R COVER, AND TRA	Y LINER.	8	15.00	120.00
DEAN, ITEMS MARKE TIME AND MATERIAL BE CLOSE	ED ***** ARE SUBJEC LS USED, THESE ESTI	T TO ACTUAL MATES SHOULD			£
DOMINICK		5-	1	-4,500.00	-4,500.007
				TOTAL	

## Jeffstar Marine Services

100 Jefferson Street Freeport, NY 11520 (516) 377-1480

DATE	ESTIMATE NO.
1/5/2007	2085

NAME / ADDRESS	
DEAN FRIEDMAN	
61 ULSTER AVE	
ATLANTIC BEACH NY 11509	

BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER		48	6V92	DETROIT	SUN CLIPPER
DESCRIPTION			QTY	COST	TOTAL
YARDMAN (LABOR): 1/30/07 TWO YARDMAN TWO HOURS EACH			4	50.00	200.00
YARDMAN (LABOR):1/31,2/1,2/2/07 ONE YARDMAN 8 HOURS EACH DAY GRINDING BARRIER COAT AND GELL COAT OFF BOTTOM OF BOAT.			24	50.00	1,200.00
YARDMAN (LABOR):				50.00	50.00
BM 8" HOOKIT SANING	G DISC (PURPLE)		35	4.00	140.00
DOMINICK 2/7/07 NYSALES TAX			1	-2,000.00 8.625%	-2,000.00 288.63
				paid 2/7/07	)
4				TOTAL	\$3,635.08

Case 1:08-cv-04315-BSJ-AJP Document 18-13 Filed 07/22/2008

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### Jeffstar Marine Services

100 Jefferson Street Freeport, NY 11520 (516) 377-1480

DATE	ESTIMATE NO.
1/5/2007	2085

BOAT MFG. & YE	MODEL	LOA	ENGINE	MODEL	BOAT NAME
93 RICKER		48	6V92	DETROIT	SUN CLIPPER
	DESCRIPTION		QTY	COST	TOTAL
BEADBLAST BOTTOM WITH ENVIROMENTALS			48	40.00	1,920.00T
YARDMAN SANDING GELCOAT AFTER BLASTING			15	50.00	750.00T
YARDMAN (LABOR):GRIND ALL BLISTERS AND FILL WITH DURAGLASS, SAND SMOOTH.******			32	50.00	1,600.00T
YARDMAN (LABOR):APPLYING 5 COATS OF BARRIER COAT			24	50.00	1,200.00T
YARDMAN (LABOR):APPLYING 3 COATS OF BOTTOM PAINT.			,	50.00	50.00T
DURA GLASS (GALL	DURA GLASS (GALLON) *****			48.00	240.00T
FEIN 6" (8) HOLE SANDING DISC'S 60 OR 40 GRIT (25) PACK			2	46.79	93.58T
PETTIT HIGH BUILD EPOXY BARRIER COAT (1 GALLON KIT)			10	106.79	1,067.90T
PETTIT UNEPOXY BOTTOM PAINT			3	79.99	239.97T
PETTIT "ULTIMA" PRO COPPER ALBLATIVE BOTTOM PAINT WITH "BIOLUX" SLIME/GRASS ADDITIVE.			5	195.00	975.00T
CHIP BRUSHS, ROLLER COVER, AND TRAY LINER.			8	15.00	120.00T
DEAN, ITEMS MARKED ***** ARE SUBJECT TO ACTUAL TIME AND MATERIALS USED, THESE ESTIMATES SHOULD BE CLOSE					
DOMINICK NYSALES TAX				-4,500.00 8.625%	-4,500.00T 323.99
				TOTAL	\$4,080.44

Case 1:08-cv-04315-BSJ-AJP Document 18-13

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# JEFFSTAR INC

100 JEFFERSON STREET (516) 377-1480 FREEPORT, NY 11520

# INVOICE

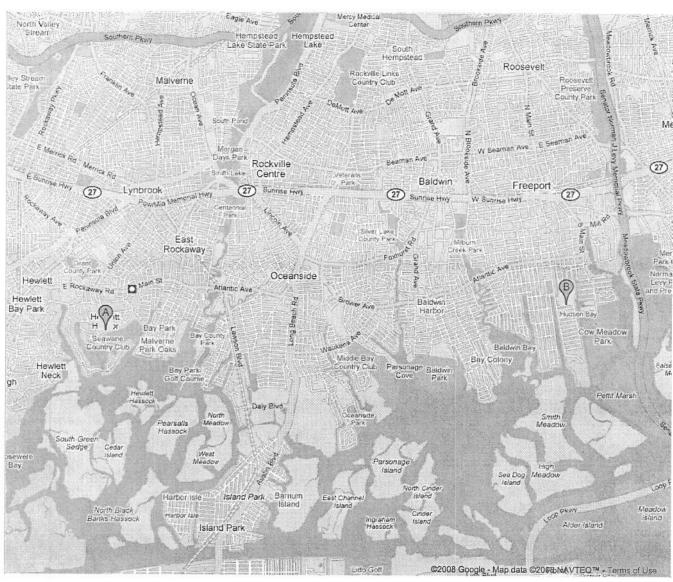
DATE	INVOICE #		
12/7/2006	2024		

BILL TO	
DEAN FRIEDMAN	
61 ULSTER AVE ATLANTIC BEACH NY 11509	

TERMS	BOAT MFG. & Y	G. &-Y MODEL		.OA ENGIN		MODEL		BOAT NAME
	93 RICKER		4	18	6V92		DETROIT	SUN CLIPPER
	DESCRIPTION				TY RATE		RATE	AMOUNT
WINTER ST STORE, LA NYS Sales T	TORAGE2006/2007 HA JUNCH BOAT Fax	UL, POWERWASH,		541	48 07. 04. 04. VAR	2 9	30.00	1,440.00
						То	tal	\$1,564.20



To see all the details that are visible on the screen,use the "Print" link next to the map.



#### Hewlett Harbor, NY (6) Drive: 7.1 mi - about 20 mins 1. Head northeast on Pepperidge Rd toward Auerbach Ave 0.4 mi 2. Continue on Waverly Ave 6 0.3 mi 3. Turn right at Main St 0.8 mi 4. Slight left at Atlantic Ave œ. 1.3 mi 5. Turn left at Long Beach Rd 0 0.2 mi 6. Turn right at Davison Ave (6) 0.4 mi 7. Slight right at Brower Ave 1.0 mi 8. Continue on Atlantic Ave 1.8 mi 9. Turn right at Guy Lombardo Ave (3) 0.6 mi 10. Turn left at Layton St 0 0.2 mi 11. Turn left at Hudson Ave

12. Hudson Ave turns left and becomes Jefferson St

246 ft

0.1 mi

Dolan & Young Marine, Inc. David G. Young

Marine Surveyor P.O. Box 568

Jamesport, NY 11947

Tel No. (631) 722-3160 Fax No. (631) 722-5760

SURVEY FOR:

ACE Rec Marine Claims

ATTN: PHONE NUMBER: Mike Burns

P.O. Box 5468 Concord, NC 28027

FAX NUMBER:

866-379-4991 866-379-4861

INSURED:

Sidney Friedman

**BUSINESS NO:** CELL NO:

516-889-5800 516-817-4407

4217 Austin Boulevard

Island Park, NY 11558

DATE OF LOSS:

7-13-07

POLICY NO: CLAIM NO:

YKR Y07404967 796 S 171402-0

DATE SURVEYOR NOTIFIED: 8-31-07 DATE REPORT COMPLETED: 11-28-07

DATE OF INSPECTIONS:

9-7-07

LOCATION OF LOSS:

100 Jefferson Street, Freeport, NY 11520

NATURE OF LOSS AS REPORTED BY INSURED:

See insured's letter of 8-28-07

NATURE OF LOSS AS FOUND:

Starboard engine suffered severe overheat causing catastrophic damage to engine after marina damaged starboard engine by improper winterization and improper

repairs

YEAR:

MANUFACTURER: Ricker

FRP

16'2"

TYPE:

48' Convertible sport fish RIX48011A393

CONSTRUCTION: HP:

HULL ID NO .: LENGTH:

51'10" OA

FUEL:

2-~550 each (1,100) Diesel

POWER: DRAFT:

Inboard 4'3"

BEAM: WEIGHT: NAME:

39,000# "Relentless"

DOC NO./ REG. NO. ENGINE SERIAL NO:

Not Found (PORT) Not recorded

(STARBOARD) (STARBOARD) 6VF197894 DDA 692 TI -8062 7403

ENGINE MODEL NO:

Series- DDA 692TI (Not Recorded) (PORT) 1458 on gauge

1464 on gauge (STARBOARD)

**ENGINE HOURS:** GENERATOR:

Northern Lights 1896.5 Hrs

VESSEL'S PRESENT LOCATION: Lawrence Yacht Club, Lawrence, NY

VESSEL'S REPAIR LOCATION:

At dock by Atlantic Detroit Diesel Allison, 3025 Veterans Memorial Highway,

Ronkonkoma, NY 11779

CONTACT:

Pete Padovana

PHONE NUMBER: 631-981-5800

ASSUMED DESCRIPTION OF CONDITION BEFORE LOSS: Good to fair

APPROXIMATE ACTUAL CASH VALUE:

No book values found - For Sale Listings Range

179,000 to 250,000

RE: Friedman CLAIM NO.: 796 S 171402-0 REPORT - Page 1 of 9

#### SCOPE OF SURVEY:

At the request of Mike Burns of ACE Rec. Marine Claims, the undersigned surveyed the vessel described on the cover sheet of this report. The purpose of this survey was to determine the cause, nature and extent of damages.

Inspection of the vessel was conducted while it was afloat at the Lawrence Yacht Club. I was permitted access to the vessel by Mr. Dean Friedman who remained in attendance throughout the damage inspection. At the time of the inspection the repairs to the claimed damages had been completed. However Mr. Friedman had retained the majority of the parts that had been affected by the claimed loss incident. These were located at his home where the undersigned traveled for the purpose of inspection and retention on the date of the inspection.

Identification was made to the vessel. The hull ID numbers were recorded and appear on the cover sheet of this report. They agree with the hull ID numbers recorded on the policy's declarations page provided with the damage survey assignment. (See digital photos 1 through 4)

### FOUND ON INSPECTION:

Inspection of the vessel focused primarily on the claimed damages relating to the recent claimed loss, its cause and extent. No other damages relating to the claimed loss, other than those mentioned below, were found on inspection or investigation.

### FOUND:

1) Upon receiving the damage survey assignment the undersigned contacted Mr. Dean Friedman (the insured's son acting as his representative) via telephone on 9-5-07 and questioned him about the circumstances of the claimed loss incident. He reiterated the circumstances of his claim as written in the Mr. Sydney Friedman letter of 8-28-07 that was provided by you with the damage survey

RE: Friedman

CLAIM NO.: 796 S 171402-0

REPORT - Page 2 of 9

- assignment. He told me he had retained the services of Mr. Donald Rave (attorney) for the purpose of recovering any losses his father has suffered pertaining to the claimed loss on the vessel. I made arrangements with him to meet on 9-7-07 to inspect the vessel, the removed parts and collect the necessary documents relating to his claim.
- 2) On 9-7-07 the undersigned initially met with Mr. Dean Friedman at his place of business OP Sales, 4217 Austin Boulevard, Island Park, NY. At this time he signed an authorization for testing. A copy of this authorization is also attached to this report. Mr. Friedman also provided the undersigned with a photo disc of photos he had taken of the damages to the vessel and a folder containing the following documents:
  - 6 Pages Atlantic DDA repair order customer summary
  - 6 Pages Atlantic DDA Invoice
  - 5 Pages Sydney Friedman letter 8-28-07
  - 1 Page Island Canvas Invoice dated 7-07
  - 2 Pages Jeffstar Marine Services estimate 1-5-07 #2085
  - 1 Page paid receipt for \$576.00 and \$4,000.00
  - 1 Page Jeffstar Marine Services estimate 1-16-07 #2073
  - 1 Page Ricker telephone numbers
  - 5 Pages Jeffstar Marine Services estimate 1-16-07 #2073
  - 2 Pages Jeffstar Marine Services estimate 1-5-07 #2085
  - 1 Page Diesel Marine Service Invoice #3327
  - 1 Page copy of check #1068 to Atlantic DDA dated 7-23-07
  - 1 Page P C Industries invoice 31 July 2007
  - 1 Page Certified Mail receipt 7-30-07
  - 1 Page copy of check #1071 to Atlantic DDA
  - 1 Page hand written "Dean" dated 7-14-07
  - 1 Page Atlantic DDA RO # 108181

#### RE: Friedman

REPORT - Page 3 of 9

CLAIM NO.: 796 S 171402-0

- 2 Pages Atlantic DDA credit card authorization
- 2 Pages Appliance Doctor invoice #13177 & 13072
- 1 Page 14 Item list
- 1 Page Jeffstar estimate # 2143
- 1 Page Jeffstar invoice # 2024
- 1 Page Jeffstar estimate #2068
- 1 Page letter to Jeffstar Dean Friedman
- 1 Page certified mail receipt 7-24-07
- 1 page letter to Dominic Ialici 7-16-07
- 1 Page certified mail receipt 7-16-07
- 1 Page Delaware Turnpike toll receipts
- 1 Page Maryland Transportation toll receipts
- 1 Page New Jersey Turnpike toll receipts
- 8 Pages Photos

Copies of these documents were forwarded to you via US mail.

After reviewing the documents I questioned Mr. Friedman as to why he chose Atlantic Detroit Diesel to perform the repairs. He told me he chose Atlantic because he knew they were a DDA factory dealership and repairer and could guarantee their repairs.

- 3) On 9-7-07 the undersigned then traveled to Mr. Dean Friedman's home at 61 Ulster Avenue, Atlantic Beach, NY 11509 for the purpose of examining the damaged parts removed from the damaged starboard engine of the vessel.
- 4) Mr. Friedman had retained the exhaust manifolds, cylinder heads, exhaust cross over pipe, cylinder liners, inter cooler, and pistons. Inspection of the exhaust manifolds found both the port and starboard manifolds cracked through the cast iron closed cooling side outward toward the exterior outer edges. The crack ran nearly along the entire edge of the manifolds lower corner edges. The cracking

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- on both manifolds appeared typical as cracking caused by internal liquid freeze damage. (See digital photos 5 through 8)
- 5) Inspection of the cast iron exhaust manifold cross over pipe found it cracked through the closed cooling side outward toward the exterior edges in the area of the center of the pipe perpendicular to the length of the pipe. This crack also appeared to be caused by the expansion of frozen liquid in the closed cooling jacketed side of the pipe. (See digital photos 9 and 10)
- 6) Inspection of the inter cooler found its normally rectangular shape distorted and bent outward. This inter cooler when in service is normally filled with liquid from the closed coolant system of the engine. The swollen distorted profile of the inter cooler indicates to the undersigned consistency with the findings of damage to the exhaust manifolds. The damage to the inter cooler was also caused as a result of frozen liquid expanding in the closed cooling side. (See digital photo 11)
- 7) Inspection of the cylinder liners and pistons found the interior surfaces of the liners and the exterior wear surfaces of the pistons scored and galled. This finding is typical of damage caused as a result of overheating. (See digital photos 12 through 16)
- 8) Inspection of the cylinder heads found cracks through the cast iron castings in the area of the combustion chambers between the valves in both the port and starboard heads. This finding is typical of damage as caused by overheating. (See digital photos 17 through 21)
- 9) The undersigned initiated a chain of custody and retained 2 cylinder liners, 2 pistons and the inter cooler. A copy of this chain is also attached to this report. The undersigned advised Mr. Friedman to retain the remaining parts that were examined by the undersigned until further notice.
- 10) After examining the removed parts the undersigned traveled to the Lawrence Yacht Club and inspected the vessel on 9-7-07.

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- 11) Inspection of the vessel found it to be in overall good to fair condition. Inspection found the starboard engine had been recently painted as typical with the parts shown to the undersigned as replaced. Inspection of the starboard engine's closed cooling heat exchanger tank mounted on the front of the engine found a weld repair on the front of the cast aluminum tank running the entire width of the tank at its bottom face surface and upward on its inboard face surface about 10". Mr. Friedman told the undersigned that Jeffstar Marine Services had performed the weld repair prior to returning the vessel to him. This operation is described in the Jeffstar Marine Services estimate #2073 dated 1-16-07 and no charges were made. (See digital photos 22 and 23)
- 12) No external cracks were found on the starboard engine at the time of the damage survey inspection. Both engines started and idled at the dock without any abnormal indications. (See digital photo 24)
- 13) On 9-11-07 the undersigned received a call from Don Rave via voice mail to please return the call.
- 14) On 9-12-07 the undersigned spoke with you via telephone concerning the seemingly high labor charges billed to the insured by Atlantic DDA.
- 15) On 9-14-07 the undersigned contacted Mr. Don Rave via telephone. I told him my opinion as to the cause of the damages to the insured's vessel. I advised him that at the moment it was my opinion the labor charged by Atlantic was higher than would normally be expected for a repair of this nature. I told him I needed more time to thoroughly examine the invoices and seek outside opinions to the fairness of the invoicing.
- 16) On 9-17-07 the undersigned contacted Bayside Diesel (a non DDA authorized engine rebuilder with experience in repairing similar engines) via telephone and spoke with George and questioned him as to the amount of labor hours it generally requires to perform a rebuild to a GM 692 series engine. He told me normally the rebuild requires approximately 80 to 100 hours.

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- 17) On 9-18-07 the undersigned contacted Phil at East End Diesel (a non authorized DDA rebuilder with experience in rebuilding similar engines) via telephone and questioned him as to how many hours it should require to rebuild a GM 692 series engine. He told me he generally performs the task between 90 and 120 hours.
- 18) On 10-3-07 the undersigned received via fax copies of a letter to you and Pete Padovana and the complaint filed by Mr. Rave for Mr. Friedman. You were also sent these documents.
- 19) On 10-9-07 the undersigned met with Pete Padovana, the service manager and Sean, the service technician that performed the physical engine repairs on the insured's vessel at Atlantic DDA. At the meeting we mutually reviewed the time sheets for the repairs to the starboard engine in the insured's vessel. Pete explained to the undersigned that the shops normal charge for straight time is \$132.00 per hour. Overtime charged hours are any hours worked prior to 7:00 AM or after 3:00 PM. The hourly overtime rates are billed at \$198.00 per hour. He explained they are a union shop therefore time is charged for the technicians from when they leave the shop until they return and / or cease working on that particular job ticket. This particular job required two technicians the majority of the repair due to the size and weight of the parts and engine arrangement in the vessel.

We reviewed the time tickets and found that the invoice billing for the starboard engine was 178 hours in straight time and 39.5 hours in overtime totaling 217.5 hours. Of the 217.5 hours there were approximately 84 hours in travel time leaving 133.5 hours for the actual repairs. In that time he explained was labor for cautionary labor such as checking the block for leaks and cracks due to the findings that the engine had frozen at some point in time prior to suffering a severe overheat due to lack of coolant. Sean estimated this time to be approximately 20 hours additional as would be to a normal rebuild. Also

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complications arose causing added labor time because the wrong turbo or manifolds had been sent to the insured by another unrelated vendor as they were unavailable through Atlantic DDA. Pete provided the undersigned with copies of the time sheets for the repairs to the starboard engine. Copies of these time sheets are also attached to this report.

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At the time of the meeting the undersigned questioned Pete and Sean on the expected service life of the 692 engine. They told me an "average" (depending on the extent of regular maintenance) service life of that model from their experience is approximately 2,500 hours. Therefore the starboard engine in the vessel prior to the claimed loss incident was at approximately 58% of its approximate service life.

#### **CAUSE OF DAMAGES:**

It is the undersigned's opinion that the damages as found to the starboard engine were caused as a result of improper winterization by Jeffstar Marine Services. During the winter freeze period the closed cooling side of the starboard engine froze because the closed cooling side of the engine had not been protected to freezing temperatures by using the correct coolant mixture, causing cracks in the exhaust manifolds, cross over pipe, inter cooler, heat exchanger tank and other unspecified engine components. Jeffstar Marine Services attempted an improper repair to the engine and heat exchanger by welding the heat exchanger. Jeffstar Marine Services released the vessel to the insured with cracks present in the exhaust manifolds that were causing coolant to be lost from the closed side of the system while in service. The insured unknowing of the coolant leaks ran the vessel under load causing the starboard engine to overheat in turn causing catastrophic damage to the cylinder liners and pistons.

### **EXTENT OF DAMAGES:**

It is the undersigned's opinion that the invoice from Atlantic DDA for the repairs to the starboard engine totaling \$49,629.47 is higher than would normally be RE: Friedman

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expected but fair and reasonable in accordance with industry standards due to the information as found in found #2 and #19. Please note that additional expenses for parts incurred by the insured are as follows:

PC Industries (turbo)

1,425.00

Diesel Marine Services (manifolds) 1,260.00

Atlantic DDA

<u>49.629.47</u> 47654.48 52.314.47 50 339.48

Total:

Please adjust as per your policy.

Submitted Without Prejudice,

David G. Young AMS

This survey has been prepared and submitted in good faith. It is a description of the condition as then found. The surveyor assumes no responsibility for any defects and shall be held harmless for any condition arising. This survey does not guarantee either expressed or implied the condition of the above-surveyed vessel.

#### **Enclosures:**

24 Digital Photos Photo Description Authorization for Testing 1 Page 1 Page Chain of Custody 12 Pages Atlantic DDA Time Sheets 1 Page Dolan & Young Invoice